



J. TYLER McCAULEY  
AUDITOR-CONTROLLER

**COUNTY OF LOS ANGELES  
DEPARTMENT OF AUDITOR-CONTROLLER**

KENNETH HAHN HALL OF ADMINISTRATION  
500 WEST TEMPLE STREET, ROOM 525  
LOS ANGELES, CALIFORNIA 90012-2766  
PHONE: (213) 974-8301 FAX: (213) 626-5427

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TO: Supervisor Zev Yaroslavsky, Chairman  
Supervisor Gloria Molina  
Supervisor Yvonne B. Burke  
Supervisor Don Knabe  
Supervisor Michael D. Antonovich

FROM: J. Tyler McCauley   
Auditor-Controller

SUBJECT: **SOCIAL MODEL RECOVERY SYSTEMS, INC. CONTRACT  
COMPLIANCE REVIEW - MENTAL HEALTH SERVICE PROVIDER**

We have completed a contract compliance review of Social Model, Inc. (Social Model or Agency), a Department of Mental Health (DMH) service provider.

**Background**

DMH contracts with Social Model, a private, non-profit, community-based organization, which provides services to clients in Service Planning Area 3. The services that Social Model provides include assessing mental health needs of the participants and developing and implementing treatment plans. The Agency's headquarters is located in the Fifth District.

Our review focused on approved Medi-Cal billings where at least 35% of the total service cost was paid using County General Funds. DMH paid Social Model, between \$1.62 and \$3.04 per minute of staff time (\$97.20 to \$182.40 per hour) and \$117.38 per day for services that received this type of funding. DMH contracted with Social Model to provide approximately \$2.1 million in services for Fiscal Year 2005-06.

**Purpose/Methodology**

The purpose of the review was to determine whether Social Model provided the services outlined in their contract with the County. We also evaluated whether the Agency achieved planned service levels. Our monitoring visit included a review of a sample of the Social Model's billings, participant charts, and personnel and payroll

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records. We also interviewed staff from Social Model and a sample of clients' parents/guardians.

### **Results of Review**

Generally, Social Model provided the services outlined in the County contract. The clients interviewed stated the services that Social Model provided were appropriate. However, the Agency did not maintain the required staff to client ratio in its Day Rehabilitation program for three (30%) of the ten days tested.

In addition, the Agency did not complete Client Care Plans for six (18%) of the 34 clients sampled. Specifically, the Agency did not have Client Care Plans signed by the client and/or parent/guardian indicating their participation in the development of the Client Care Plans, as required by the contract.

We have attached the details of our review, along with recommendations for corrective action.

### **Review of Report**

We discussed the results of our review with Social Model on December 19, 2006. In their attached response, the Agency generally agreed with the results of our review and described their corrective actions to address the findings and recommendations contained in the report.

We thank Social Model's management for their cooperation and assistance during this review. Please call me if you have any questions or your staff may contact Don Chadwick at (626) 293-1102.

JTM:MMO:DC

Attachment

c: David E. Janssen, Chief Administrative Officer  
Dr. Marvin J. Southard, Director, Department of Mental Health  
James O'Connell, CEO, Social Model, Inc.  
Public Information Office  
Audit Committee

**COUNTYWIDE CONTRACT MONITORING REVIEW  
FISCAL YEAR 2005-2006  
SOCIAL MODEL, INC.**

**BILLED SERVICES**

**Objective**

Determine whether Social Model, Inc. (Social Model or Agency) provided the services billed in accordance with their contract with Department of Mental Health (DMH).

**Verification**

We judgmentally selected 3,047 minutes from 25,792 service minutes and 10 days from 1,498 service days of approved Medi-Cal billings to DMH where at least 35% of the total service cost was paid using County General Funds. We reviewed the Progress Notes, Assessments, and Client Care Plans maintained in the clients' charts for the selected billings. The 3,047 minutes and 10 days represent services provided to 35 program participants.

Although we started our review in October 2006, the most current billing information available from DMH's billing system was May and June 2006.

**Results**

Social Model did not sufficiently document 498 (16%) of the 3,047 service minutes sampled. Specifically, we noted the following:

- The Agency billed 498 minutes in which the procedure codes and the units of time were not documented in the Progress Notes.
- The Agency billed 30 minutes for Medication Support Services in which the Progress Notes did not contain a description of the client's response to the medication, side effects and compliance with the medication regime.

The total number of insufficiently documented minutes cited above exceeded the number of insufficiently documented minutes reviewed because some of the Progress Notes contained more than one deficiency.

Social Model over billed DMH for 48 minutes for Mental Health services. Specifically, the Progress Note did not describe assessment, therapy, rehabilitation or plan development. The amount of the over billing totaled \$107.

In addition, Social Model also over billed for 2 days in its Day Rehabilitation Program. The amount of the over billing totaled \$235. Specifically:

- The Weekly Summary and client sign-in sheet indicated that one client was not present at least 50% of the scheduled hours of operation as required.
- Social Model billed one service day but the client's chart did not contain documentation to support the billing.

### Client Care Plans

Social Model did not complete Client Care Plans for six (18%) of the 34 clients sampled. Specifically, the Agency did not have Client Care Plans signed by the clients and/or parent/guardians indicating their participation in the development of the Client Care Plans as required by the contract. The Client Care Plan establishes goals and interventions that address the Mental Health issues identified in the client's Assessment.

### Recommendations

#### **Social Model management:**

1. **Maintain sufficient documentation to support the services billed to DMH.**
2. **Repay DMH \$342 for the amounts over billed.**
3. **Ensure that Client Care Plans are completed in accordance with the County contract.**

### CLIENT VERIFICATION

#### Objectives

Determine whether the program participants received the services that Social Model billed DMH.

#### Verification

We interviewed eight participants that the Agency billed DMH for services during the months of May and June of 2006.

#### Results

The eight program participants interviewed stated that they received services from the Agency and that the services met their expectations.

**Recommendation**

There are no recommendations for this section.

**STAFFING LEVELS****Objective**

Determine whether the Agency maintained the appropriate staff to client ratio in its Day Rehabilitation Program.

**Verification**

We selected ten days that Social Model billed DMH for in May and June 2006 and reviewed the staff schedules and client logs. We also reviewed staff's timecards.

**Results**

Social Model did not meet the staff ratio requirements for three (30%) of ten days tested. The Agency included staff that were not Qualified Mental Health Professionals or staff that were not present for the duration of the program.

**Recommendation**

4. Social Model management ensure that staff comply with the staffing requirements for the Day Rehabilitation Program.

**STAFF QUALIFICATIONS****Objective**

Determine whether Social Model's treatment staff possessed the required qualifications to provide the services.

**Verification**

We reviewed the California Board of Behavioral Sciences' website and/or the personnel files for seven (29%) of 24 Social Model treatment staff.

**Results**

One of the seven staff in our sample did not possess the required qualifications to provide program services.

**Recommendation**

5. Social Model management ensure that staff meet the requirements to deliver the services billed.

**SERVICE LEVELS****Objective**

Determine whether Social Model reported service levels varied significantly from the service levels identified in the DMH contract.

**Verification**

We obtained the Fiscal Year 2005-06 Cost Report submitted to DMH by Social Model and compared the dollar amount and billed units of service to the contracted units of service identified in the contract for the same period.

**Results**

Social Model operated within its contracted amount of \$2.1 million. However, the Agency deviated from contracted service levels without prior written authorization from DMH. Specifically, the Agency exceeded contracted amounts for Medication Support by 57,000 units (86%) and Mental Health Services by 25,000 units (33%).

**Recommendation**

6. Social Model management obtain written authorization from DMH prior to deviating from contracted service levels.

**Social Model Recovery Systems, Inc.  
Response to Auditor-Controller Recommendations**

#	Recommendation	Response
1	Maintain sufficient documentation to support its compliance with contract requirements for the services billed to DMH.	<p>Progress notes in which procedure codes and units of time (498 minutes) were not properly documented have been corrected by the revision of the psychiatrist's progress notes to include prompts for this information at the top of each page.</p> <p>The Medication Support Services progress note (30 minutes) that did not contain descriptions of the participant's response to medication, side effects, and compliance with the medication regimen has been corrected by including prompts for this information being printed on the psychiatrist's progress note.</p>
2	Repay DMH \$342 for the amounts over billed.	Social Model Recovery Systems management will ensure the repayment of \$342 to cover over billing to DMH.
3	Ensure that Client Care Plans are completed in accordance with the County contract.	Completion of the Client Care Plan will be reviewed at all Case Presentations. In addition, the Client Care Plan will be highlighted in the Peer, Supervisory, and Quarterly Chart Reviews.
4	Social Model management ensure that staff comply with the staffing requirements for the Day Rehabilitation Program.	<p>The staffing pattern for the River Community Day Rehabilitation program has been reviewed and enhanced to meet the staffing requirements of one qualified mental health practitioner to every ten program participants.</p> <p>Program Managers of all Day Rehabilitation programs will review their staffing pattern on a regular basis to ensure that staffing requirements are met.</p>
5	Social Model management ensure that staff meet the requirements to deliver the services billed.	Program Managers will review and ensure that all staff members meet the qualifications necessary to provide services. In this particular instance, the staff person was verbally counseled about the appropriate job tasks for the position.
6	Social Model management obtain written authorization from DMH prior to deviating from contracted service levels.	Social Model Recovery Systems management will contact the Service Area 3 District Chief to arrange for the reallocation of funds at the point it becomes apparent that a program will deviate from its contracted service levels.